

CMS Manual System

Pub 100-05 Medicare Secondary Payer

Transmittal 50

Department of Health & Human Services (DHHS)
Centers for Medicare & Medicaid Services (CMS)

Date: MAY 12, 2006

Change Request 4190

SUBJECT: Clarification of Exhaustible Benefits and HIGLAS' Role within Transmittal 20

I. SUMMARY OF CHANGES: Clarifying and updating the current IOM language specific to MSP savings calculations and savings priority in regards to the definition of exhaustible benefits and HIGLAS' generation of a CMS MSP GHP Receivables Report and a CMS MSP Non-GHP Receivables Report. These reports will be used by the contractor to enter data into the CROWD system for reporting savings associated with recoveries. (Pub. 100-05, Chapter 5, Section 60.1.2-Savings Calculations)

NEW/REVISED MATERIAL

EFFECTIVE DATE: June 12, 2006

IMPLEMENTATION DATE: June 12, 2006

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R = REVISED, N = NEW, D = DELETED – *Only One Per Row.*

R/N/D	Chapter / Section / SubSection / Title
R	5/Table of Contents
R	5/60.1.2-Savings Calculations
N	5/60.1.3.4 - Exhibit 1 - Medicare Secondary Payer (MSP) Savings Report
N	5/60.1.3.5 Exhibit 2 - CWF Source Codes and Corresponding CROWD Special Project Numbers

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

**Unless otherwise specified, the effective date is the date of service.*

Attachment - Business Requirements

Pub. 100-05	Transmittal: 50	Date: May 12, 2006	Change Request 4190
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SUBJECT: Clarification of Exhaustible Benefits and HIGLAS' Role within Transmittal 20

I. GENERAL INFORMATION

A. Background: This change request involves clarifying past instructions (Transmittal 20) specific to MSP savings calculations and savings priority in regards to the definition of exhaustible benefits. This change request also updates the current IOM language to reflect HIGLAS' generation of a CMS MSP GHP Receivables Report and a CMS MSP Non-GHP Receivables Report. These reports will be used by the contractor to enter data into the CROWD system for reporting savings associated with recoveries.

B. Policy

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		F I R I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
F I S S	M C S					V M S	C W F			
4190.1	Contractors shall not claim interest dollars recovered as savings. Interest collected goes to the General Revenue Fund and is not returned to the Medicare Trust Funds.	X	X	X	X					
4190.2	Contractors shall report cost-avoided savings through their shared systems.	X	X	X	X					
4190.3	Lead and non-lead contractors shall not update the claims history in connection with post-pay recoveries received except when the re-establishment of exhaustible benefits is required. This rule applies to GHP as well as non-GHP debt.	X	X	X	X					

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
4190.3.1	For GHP, all contractors that made mistaken primary payments are classified as “leads.”	X	X	X	X					
4190.3.2	For non-GHP, CMS publishes a list of lead recovery contractors with the BPRs each year.	X	X	X	X					
4190.4	Lead recovery contractors for non-GHP cases shall manually report savings attributable to the recovery of all claims (regardless of processing contractor) associated with a liability, no fault, or workers’ compensation case recovery.	X	X	X	X					
4190.5	Contractors pursuing recovery of GHP debts shall, upon case closure, report savings associated with the GHP recoveries in the appropriate categories.	X	X	X	X					
4190.6	Contractors shall re-establish exhaustible benefits for post pay recoveries associated with GHP and non-GHP cases if the restoration of benefits will be beneficial to the beneficiary.	X	X	X	X					
4190.6.1	For non-GHP cases, the lead recovery contractor shall notify the non-lead contractor (contractor that processed the claim) in those instances where re-establishment of exhaustible benefits is required.	X	X	X	X					
4190.6.2	The non-lead contractor shall take the necessary actions to restore exhaustible benefits, if the restoration is beneficial to the beneficiary, and claim the savings.	X	X	X	X					
4190.6.3	If the non-lead contractor determines that restoration of benefits is not beneficial, the non-lead contractor shall still report savings on the claims referred.	X	X	X	X					

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
	None									

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

X-Ref Requirement #	Instructions
CR 3181	Medicare Secondary Payer (MSP) Savings Report Redesign (Transmittal 20)

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: June 12, 2006</p> <p>Implementation Date: June 12, 2006</p> <p>Pre-Implementation Contact(s): Karen Ochab and Mary Minnick</p> <p>Post-Implementation Contact(s): Your regional office MSP coordinator.</p>	<p>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.</p>
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*Unless otherwise specified, the effective date is the date of service.

Medicare Secondary Payer (MSP) Manual

Chapter 5 - Contractor Prepayment Processing Requirements

Table of Contents

(Rev. 50, 05-12-06)

**60.1.3.4 – Exhibit 1 – Medicare Secondary Payer (MSP) Savings
Report**

**60.1.3.5 – Exhibit 2 – CWF Source Codes and Corresponding CROWD
Special Project Numbers**

60.1.2 - Savings Calculations

(Rev.50, Issued: 05-12-06, Effective: 06-12-06, Implementation: 06-12-06)

Contractors shall report savings on the Forms CMS-1563 and CMS-1564 only for the actual amount (principal dollars only) of savings realized, plus Medicare's share of the procurement costs. Under no circumstances shall contractors claim more savings than Medicare actually paid in benefits. Contractors shall not claim interest dollars recovered as savings. Interest collected goes to the General Revenue Fund and is not returned to the Medicare Trust Funds.

Contractors shall report cost-avoided savings through their shared systems. However, lead and non-lead contractors shall not update the claims history in connection with post pay recoveries received except when the re-establishment of exhaustible benefits is required. This rule applies to GHP as well as non-GHP debt. For GHP, all contractors that made mistaken primary payments are "leads." For non-GHP, CMS publishes a list of lead recovery contractors with the BPRs each year.

Lead recovery contractors for non-GHP cases shall manually report savings attributable to the recovery of all claims (regardless of who the processing contractor is) associated with a liability, no fault or workers compensation case recovery. Contractors shall not update the shared systems paid claims history (via claims adjustments) with the recovery amounts, unless there is a need to re-establish exhaustible benefits. Contractors pursuing recovery of GHP debts shall, upon case closure, report savings associated with the GHP recoveries in the appropriate categories.

Contractors shall re-establish exhaustible benefits for post pay recoveries associated with GHP and non-GHP cases if the restoration of benefits will be beneficial to the beneficiary. For non-GHP cases, the lead recovery contractor shall notify the non-lead contractor (contractor that processed the claim) in those instances where re-establishment of exhaustible benefits is required. The non-lead shall take the necessary actions to restore exhaustible benefits and claim the savings with respect to the claims associated with the exhaustible benefits. If the non-lead contractor determines that restoration of benefits is not beneficial, the non-lead contractor shall still report savings on the claims referred to them. The lead recovery contractor shall not report the savings associated with the claims referred for possible restoration of benefits.

Exception to reporting manual savings: Contractors having responsibility for a provider, physician, or other supplier DPP recovery shall recover and update their paid claims history files (via a claims adjustment) with information regarding the collection and subsequent MSP savings.

When notified by CMS, contractors shall report additional savings manually, as requested by CMS. .

Contractors that have transitioned to the HIGLAS system will receive a monthly MSP savings report which is known as the “CMS MSP GHP Receivables Report and/or CMS MSP non-GHP Receivables Report”. These reports will detail all debts that have been closed and collected on for that contractor. These reports will be inclusive of the original demand amount, procurement costs where applicable (that is, the pro rata share of the procurement costs associated with the actual amount recovered), collected amounts (principal and interest), etc. The contractors shall use these reports to manually enter the savings figures recovered via HIGLAS into the CROWD system. Contractors that have not transitioned to the HIGLAS system shall follow the guidelines detailed in this manual section.

A. Savings Priority

Contractors shall report MSP savings in the following order: (1) exhaustible Part A benefits, (2) exhaustible Part B benefits, (3) the remaining (non-exhaustible) Part A benefits, and (4) the remaining (non-exhaustible) Part B benefits. In each separate type of benefit listed above, savings are applied to the highest dollar claim first.

***Exhaustible Benefits** are benefits where their restoration would affect payment for a subsequent claim of the same type. Some examples of exhaustible benefits include: hospital inpatient lifetime reserve days (60 days), inpatient skilled nursing facility care, and inpatient lifetime reserve psychic days (190 days).*

Additionally, claims adjustments for exhaustible benefits are not necessary if it is clear that their restoration could have no beneficial effect for the beneficiary; for example, if the issue is lifetime reserve days where the beneficiary is deceased and did not exhaust his lifetime reserve days without taking into account such restoration.

B. Reporting Dollar Values

Contractors shall round all dollar values to the nearest whole dollar.

C. Checking Reports/*Report Equations*

- Line 7 must equal the sum of lines 1 + 3 + 5 for all columns;

- Line 8 must equal the sum of lines $2 + 4 + 6$ for all columns;
- Line 13 must equal the sum of lines $9 + 11$ for all columns;
- Line 14 must equal the sum of lines $10 + 12$ for all columns;
- Line 15 equals line 1 for all columns;
- Line 16 equals line 2 for all columns;
- Line 17 equals the sum of lines $3 + 9$ for all columns;
- Line 18 equals the sum of lines $4 + 10$ for all columns;
- Line 19 equals the sum of lines $5 + 11$ for all columns;
- Line 20 equals the sum of lines $6 + 12$ for all columns;
- Line 21 equals the sum of lines $15 + 17 + 19$ for all columns;
- Line 22 equals the sum of lines $16 + 18 + 20$ for all columns.

Total Savings (\$):

22

0

0

0

0

0

0

0

0

Postpay Savings:

<i>Full Recovery (# of claims)</i>	9	0	0	0	0	0	0	0	0
<i>Full Recovery (\$)</i>	10	0	0	0	0	0	0	0	0
<i>Partial Recovery (# of claims)</i>	11	0	0	0	0	0	0	0	0
<i>Partial Recovery (\$)</i>	12	0	0	0	0	0	0	0	0
Total Postpay Savings(# of claims):	13	0	0	0	0	0	0	0	0
Total Postpay Savings(\$):	14	0	0	0	0	0	0	0	0
<i>Total Cost Avoid Savings(# of claims)</i>	15	0	0	0	0	0	0	0	0
<i>Total Cost Avoid Savings (\$)</i>	16	0	0	0	0	0	0	0	0
<i>Total Full Recovery Savings(# of claims)</i>	17	0	0	0	0	0	0	0	0
<i>Total Full Recovery Savings(\$)</i>	18	0	0	0	0	0	0	0	0
<i>Total Partial Recovery Savings(# of claims)</i>	19	0	0	0	0	0	0	0	0
<i>Total Partial Recovery Savings(\$)</i>	20	0	0	0	0	0	0	0	0
Total Savings (# of claims):	21	0	0	0	0	0	0	0	0
Total Savings (\$):	22	0	0	0	0	0	0	0	0

Postpay Savings:

<i>Full Recovery (# of claims)</i>	9	0	0	0	0	0	0	0	0
<i>Full Recovery (\$)</i>	10	0	0	0	0	0	0	0	0
<i>Partial Recovery (# of claims)</i>	11	0	0	0	0	0	0	0	0
<i>Partial Recovery (\$)</i>	12	0	0	0	0	0	0	0	0
Total Postpay Savings(# of claims):	13	0	0	0	0	0	0	0	0
Total Postpay Savings(\$):	14	0	0	0	0	0	0	0	0
<i>Total Cost Avoid Savings(# of claims)</i>	15	0	0	0	0	0	0	0	0
<i>Total Cost Avoid Savings (\$)</i>	16	0	0	0	0	0	0	0	0
<i>Total Full Recovery Savings(# of claims)</i>	17	0	0	0	0	0	0	0	0
<i>Total Full Recovery Savings(\$)</i>	18	0	0	0	0	0	0	0	0
<i>Total Partial Recovery Savings(# of claims)</i>	19	0	0	0	0	0	0	0	0
<i>Total Partial Recovery Savings(\$)</i>	20	0	0	0	0	0	0	0	0
Total Savings (# of claims):	21	0	0	0	0	0	0	0	0
Total Savings (\$):	22	0	0	0	0	0	0	0	0

Postpay Savings:

<i>Full Recovery (# of claims)</i>	9	0	0	0	0	0	0	0	0
<i>Full Recovery (\$)</i>	10	0	0	0	0	0	0	0	0
<i>Partial Recovery (# of claims)</i>	11	0	0	0	0	0	0	0	0
<i>Partial Recovery (\$)</i>	12	0	0	0	0	0	0	0	0
Total Postpay Savings(# of claims):	13	0	0	0	0	0	0	0	0
Total Postpay Savings(\$):	14	0	0	0	0	0	0	0	0
<i>Total Cost Avoid Savings(# of claims)</i>	15	0	0	0	0	0	0	0	0
<i>Total Cost Avoid Savings (\$)</i>	16	0	0	0	0	0	0	0	0
<i>Total Full Recovery Savings(# of claims)</i>	17	0	0	0	0	0	0	0	0
<i>Total Full Recovery Savings(\$)</i>	18	0	0	0	0	0	0	0	0
<i>Total Partial Recovery Savings(# of claims)</i>	19	0	0	0	0	0	0	0	0
<i>Total Partial Recovery Savings(\$)</i>	20	0	0	0	0	0	0	0	0
Total Savings (# of claims):	21	0	0	0	0	0	0	0	0
Total Savings (\$):	22	0	0	0	0	0	0	0	0

NATIONAL TOTAL

SPECIAL PROJ: PHARMACY BENEFIT MANAGER DATA (7018)

DESCRIPTION	LINE NUMBER	TOTAL	WORKERS' COMP (including BL) (codes	WORKING AGED (code 12)	ESRD (code 13)	AUTO MEDICAL / NO FAULT (code14)	DISABLED (code 43)	Liability (including FTCA) (code 47)	VA/OTHER FEDERAL (codes 42 & 16)
			15 & 41)						
Prepay Savings:									
Cost Avoid (# of claims)	1	0	0	0	0	0	0	0	0
Cost Avoid (\$)	2	0	0	0	0	0	0	0	0
Full Recovery (# of claims)	3	0	0	0	0	0	0	0	0
Full Recovery (\$)	4	0	0	0	0	0	0	0	0
Partial Recovery (# of claims)	5	0	0	0	0	0	0	0	0
Partial Recovery (\$)	6	0	0	0	0	0	0	0	0
Total Prepay Savings(# of claims):	7	0	0	0	0	0	0	0	0
Total Prepay Savings(\$):	8	0	0	0	0	0	0	0	0

Postpay Savings:

<i>Full Recovery (# of claims)</i>	9	0	0	0	0	0	0	0	0
<i>Full Recovery (\$)</i>	10	0	0	0	0	0	0	0	0
<i>Partial Recovery (# of claims)</i>	11	0	0	0	0	0	0	0	0
<i>Partial Recovery (\$)</i>	12	0	0	0	0	0	0	0	0
<i>Total Postpay Savings(# of claims):</i>	13	0	0	0	0	0	0	0	0
<i>Total Postpay Savings(\$):</i>	14	0	0	0	0	0	0	0	0
<i>Total Cost Avoid Savings(# of claims)</i>	15	0	0	0	0	0	0	0	0
<i>Total Cost Avoid Savings (\$)</i>	16	0	0	0	0	0	0	0	0
<i>Total Full Recovery Savings(# of claims)</i>	17	0	0	0	0	0	0	0	0
<i>Total Full Recovery Savings(\$)</i>	18	0	0	0	0	0	0	0	0
<i>Total Partial Recovery Savings(# of claims)</i>	19	0	0	0	0	0	0	0	0
<i>Total Partial Recovery Savings(\$)</i>	20	0	0	0	0	0	0	0	0
<i>Total Savings (# of claims):</i>	21	0	0	0	0	0	0	0	0
<i>Total Savings (\$):</i>	22	0	0	0	0	0	0	0	0

Postpay Savings:

<i>Full Recovery (# of claims)</i>	9	0	0	0	0	0	0	0	0
<i>Full Recovery (\$)</i>	10	0	0	0	0	0	0	0	0
<i>Partial Recovery (# of claims)</i>	11	0	0	0	0	0	0	0	0
<i>Partial Recovery (\$)</i>	12	0	0	0	0	0	0	0	0
Total Postpay Savings(# of claims):	13	0	0	0	0	0	0	0	0
Total Postpay Savings(\$):	14	0	0	0	0	0	0	0	0
<i>Total Cost Avoid Savings(# of claims)</i>	15	0	0	0	0	0	0	0	0
<i>Total Cost Avoid Savings (\$)</i>	16	0	0	0	0	0	0	0	0
<i>Total Full Recovery Savings(# of claims)</i>	17	0	0	0	0	0	0	0	0
<i>Total Full Recovery Savings(\$)</i>	18	0	0	0	0	0	0	0	0
<i>Total Partial Recovery Savings(# of claims)</i>	19	0	0	0	0	0	0	0	0
<i>Total Partial Recovery Savings(\$)</i>	20	0	0	0	0	0	0	0	0
Total Savings (# of claims):	21	0	0	0	0	0	0	0	0
Total Savings (\$):	22	0	0	0	0	0	0	0	0

NATIONAL TOTAL

SPECIAL PROJ: RECOVERY AUDIT CONTRACTOR – FLORIDA (7026)

DESCRIPTION	LINE NUMBER	TOTAL	WORKERS' COMP (including BL) (codes	WORKING AGED (code 12)	ESRD (code 13)	AUTO MEDICAL / NO FAULT (code14)	DISABLED (code 43)	Liability (including FTCA) (code 47)	VA/OTHER FEDERAL (codes 42 & 16)
			15 & 41)						
Prepay Savings:									
Cost Avoid (# of claims)	1	0	0	0	0	0	0	0	0
Cost Avoid (\$)	2	0	0	0	0	0	0	0	0
Full Recovery (# of claims)	3	0	0	0	0	0	0	0	0
Full Recovery (\$)	4	0	0	0	0	0	0	0	0
Partial Recovery (# of claims)	5	0	0	0	0	0	0	0	0
Partial Recovery (\$)	6	0	0	0	0	0	0	0	0
Total Prepay Savings(# of claims):	7	0	0	0	0	0	0	0	0
Total Prepay Savings(\$):	8	0	0	0	0	0	0	0	0

Postpay Savings:

<i>Full Recovery (# of claims)</i>	9	0	0	0	0	0	0	0	0
<i>Full Recovery (\$)</i>	10	0	0	0	0	0	0	0	0
<i>Partial Recovery (# of claims)</i>	11	0	0	0	0	0	0	0	0
<i>Partial Recovery (\$)</i>	12	0	0	0	0	0	0	0	0
<i>Total Postpay Savings(# of claims):</i>	13	0	0	0	0	0	0	0	0
<i>Total Postpay Savings(\$):</i>	14	0	0	0	0	0	0	0	0
<i>Total Cost Avoid Savings(# of claims)</i>	15	0	0	0	0	0	0	0	0
<i>Total Cost Avoid Savings (\$)</i>	16	0	0	0	0	0	0	0	0
<i>Total Full Recovery Savings(# of claims)</i>	17	0	0	0	0	0	0	0	0
<i>Total Full Recovery Savings(\$)</i>	18	0	0	0	0	0	0	0	0
<i>Total Partial Recovery Savings(# of claims)</i>	19	0	0	0	0	0	0	0	0
<i>Total Partial Recovery Savings(\$)</i>	20	0	0	0	0	0	0	0	0
<i>Total Savings (# of claims):</i>	21	0	0	0	0	0	0	0	0
<i>Total Savings (\$):</i>	22	0	0	0	0	0	0	0	0

60.1.3.5 - Exhibit 2: CWF Source Codes and Corresponding CROWD Special Project Numbers

(Rev. 50, Issued: 05-12-06; Effective/Implementation Dates: 06-12-06)

CWF Source Codes	MSP/COB Contractor Numbers	Non-payment/Payment Denial Codes	CROWD Special Project Numbers
B, D, T, U, V, or W	77777 = IRS/SSA/HCFA Data Match (I, II, III, IV, V, or VI)	Y	1000
O	99999 = Initial Enrollment Questionnaire (IEQ)	T	2000
P	55555 = HMO Rate Cell Adjustment	U	3000
	33333 = Litigation Settlement	V	4000
Q	88888 = Voluntary Agreements	Q	5000
0	11100 = COB Contractor	00	6000
1	11101 = Initial Enrollment Questionnaire (IEQ)	T	6010
2	11102 = IRS/SSA/CMS Data Match	Y	6020
3	11103 = HMO Rate Cell	U	6030
4	11104 = Litigation Settlement	V	6040
5	11105 = Employer Voluntary Reporting	Q	6050
6	11106 = Insurer Voluntary Reporting	K	6060
7	11107 = First Claim Development	E	6070
8	11108 = Trauma <i>Code</i> Development	F	6080
9	11109 = Secondary Claims Investigation	G	6090
10	11110 = Self Reports	H	7000
11	11111 = 411.25	J	7010

12	11112 = Blue Cross – Blue Shield Voluntary Agreements	12	7012
13	11113 = Office of Personnel Management (OPM) Data Match	13	7013
14	11114 = <i>State</i> Workers' Compensation (WC) Data Match	14	7014
15	11115 = <i>WC Insurer Voluntary Data Sharing Agreements (WC VDSA)</i>	15	7015
16	11116 = <i>Liability Insurer Voluntary Data Sharing Agreements (LIAB VDSA)</i>	16	7016
17	11117 = <i>Voluntary Data Sharing Agreements (No Fault VDSA)</i>	17	7017
18	11118 = <i>Pharmacy Benefit Manager Data</i>	18	7018
19	11119 = To be determined	19	7019
20	11120 = To be determined	20	7020
“”	“”	“”	“”
<i>25</i>	<i>11125=Recovery Audit Contractor- California</i>	<i>25</i>	<i>7025</i>
<i>26</i>	<i>11126=Recovery Audit Contractor- Florida</i>	<i>26</i>	<i>7026</i>
<i>27</i>	<i>11127=To be Determined</i>	<i>27</i>	<i>7027</i>
99	11199 = To be determined	99	7099